

Appendix E

HJ0001

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REVISING THE OFFICIAL ESTIMATE, CONTAINED IN HOUSE JOINT RESOLUTION NO. 2, LAWS OF 1999, OF THE STATE'S ANTICIPATED REVENUE FOR EACH YEAR OF THE 2000-01 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING THE JUNE 30, 1999, GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND REQUESTING THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING TO USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVISED REVENUE ESTIMATES FOR FISCAL YEAR 2000 AND FOR FISCAL YEAR 2001.

WHEREAS, House Bill No. 260 (Chapter 563, Laws of 1999) created a coal producer's license tax; and

WHEREAS, revenue from the coal producer's license tax was intended to be used, in part, for investing in research and commercialization projects and economic development programs in Montana; and

WHEREAS, the Montana Supreme Court declared the coal producer's license tax an unconstitutional diversion of the coal severance tax; and

WHEREAS, the research and commercialization projects and economic development programs contained in Chapter 563, Laws of 1999, are unfunded because of the Supreme Court decision; and

WHEREAS, the Governor issued a call for a special session to begin May 8, 2000, for the purpose of appropriating from the general fund amounts necessary to fund research and commercialization projects and certain economic development programs; and

WHEREAS, at the end of the 1999 Legislative Session, the ending general fund balance for the 2000-01 biennium budget was projected to be \$51.5 million; and

WHEREAS, fiscal year 1999 general fund revenue collections have exceeded the amount estimated by the Legislature in House Joint Resolution No. 2, Laws of 1999; and

WHEREAS, general fund revenue collections for the 2000-01 biennium are expected to exceed the revenue estimates contained in House Joint Resolution No. 2; and

WHEREAS, the revised ending fund balance for the 2000-01 biennium is estimated to be \$137.7 million; and

WHEREAS, the Governor is proposing to use general fund money to provide resources for research and commercialization projects and for certain economic development programs; and

WHEREAS, the amount of estimated revenue affects policy decisions of the Executive Branch and the Legislative Branch; and

WHEREAS, the revenue estimates contained in this resolution and the underlying assumptions provide the basis for a comprehensive analysis of the state's financial condition; and

WHEREAS, given the magnitude of the anticipated 2000-01 biennium surplus and given the Legislature's responsibility to balance the budget under Article VIII, section 9, of the Montana Constitution, it is in the best interest of the state that the official revenue estimates for the 2000-01 biennium be revised.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the state general fund revenue for fiscal years 2000 and 2001 be estimated to be \$1,156,942,000 and \$1,140,613,000, respectively.

BE IT FURTHER RESOLVED, that the Legislature accept for budget purposes the unreserved fund balance of \$109,674,000 for the general fund, prepared according to generally accepted accounting principles as published in the audited state financial statements as of June 30, 1999.

BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use, as contemplated in 5-18-107(2), the revenue estimates contained in this resolution as the official revenue estimates for fiscal year 2000 and for fiscal year 2001.

GENERAL FUND REVENUE

The revised estimates for total general fund revenue for the 2000-01 biennium are based on an assumption of a continuation of Montana law as it existed on May 1, 2000. The general fund revenue estimates contained in the following table are also based on assumptions adopted by the Legislature in House Joint Resolution No. 2 during the 1999 Legislative Session, statutory changes affecting general fund revenue that were enacted during the 1999 Legislative Session, and revisions to certain assumptions, including those related to wage and salary income and capital gains income and to oil prices.

Source of Revenue	Current Law			
	General Fund Revenue Estimates			
	(In Millions of Dollars)			
	Actual FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated FY 2000 and FY 2001
Individual Income Tax	\$483.032	\$511.099	\$531.786	\$1,042.885
Property Tax	201.759	191.893	173.193	365.086
Corporation Income Tax	80.142	91.939	72.730	164.669
Common School Interest & Income	41.433	42.506	42.215	84.721
Permanent Trust Interest Earnings	16.698	41.115	41.453	82.568
Insurance Premiums Tax	38.137	38.629	36.646	75.275
Tobacco Settlement	0.000	34.805	25.325	60.130
All Other Revenue	35.115	19.264	18.098	37.362
U.S. Federal Royalty	17.650	19.827	19.735	39.562
TCA Interest Earnings	17.920	14.478	14.490	28.968
Inheritance Tax	18.302	16.733	17.587	34.320
Video Gaming Tax	12.559	13.389	14.124	27.513
Motor Vehicle License Fee	11.053	12.391	12.606	24.997
Institution Reimbursements	11.136	9.697	10.041	19.738
Cigarette Tax	8.823	9.810	9.946	19.756
Coal Severance Tax	9.284	8.309	7.787	16.096
Oil Severance Tax	6.481	9.373	10.305	19.678
Lottery Profit	6.780	6.537	6.464	13.001
Liquor Excise Tax	6.666	6.628	6.744	13.372
Nursing Facilities Fee	5.713	5.981	5.874	11.855
Telephone License Tax	6.037	3.167	0.000	3.167
Telecommunications Excise Tax	0.000	12.372	23.936	36.308
Liquor Profits	6.000	5.667	5.754	11.421
Electric Energy License Tax	4.618	4.567	4.606	9.173
Wholesale Energy Tax	0.000	1.701	3.425	5.126
Investment Licenses	4.413	4.691	4.978	9.669
Highway Patrol Fines	3.755	4.657	5.009	9.666
Driver's License Fee	3.234	2.242	1.925	4.167
Metalliferous Mines Tax	3.306	3.388	3.225	6.613
Contractor's Gross Receipts Tax	3.320	3.176	3.520	6.696
Railroad Car Tax	2.074	2.130	2.153	4.283
Tobacco Tax	1.791	1.995	2.116	4.111
Long-Range Bond Excess	0.386	0.261	0.243	0.504
Natural Gas Severance Tax	1.024	1.124	1.109	2.233
Wine Tax	0.965	1.039	1.099	2.138
Beer Tax	0.374	0.362	0.366	0.728
Total General Fund	\$1,069.980	\$1,156.942	\$1,140.613	\$2,297.555